

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 SS-15
NSC-05 L-03 SSO-00 INRE-00 /054 W
-----172047Z 120141 /73

O O 172022Z JUN 77 ZFF 4

FM AMEMBASSY LONDON

TO SECSTATE WASHDC NIACT IMMEDIATE 5231

WHITE HOUSE NIACT IMMEDIATE

INFO AMEMBASSY OTTAWA IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 10088

FOR: E, EB

PASS DOT (ADAMS, DAVENPORT, KAMM), CAB (KAHN, RODRIGUEZ)

WHITE HOUSE FOR JOHNSTON, DEAL (NSC)

OTTAWA FOR TRIMBLE

E.O. 11652: GDS

TAGS: EAIR, UK

SUBJECT: CIVAIR NEGOTIATIONS: REPORT ON JUNE L7

1. ASSESSMENT

A. WE ARE MOVING CLOSER TO AGREEMENT WITH UK. IN
CAPACITY AREA, UK CANNOT ACCEPT HORTATORY LANGUAGE AT
BEGINNING OF ANNEX (US RENEG 8, REV VI). UK WILL
ACCEPT DETAILS IN MECHANISM ACCEPTABLE TO US. IN
ROUTE AREA, PACKAGE CAN PROBABLY BE WORKED OUT, ALTHOUGH
THIS WILL BE MOST DIFFICULT OF AREAS TO AGREE. WITH
RESPECT TO CHARTER LINKAGE, AGREEMENT IS ALSO WITHIN
REACH. UKDEL IS BY NOW CONVINCED BEYOND ANY SHADOW
OF DOUBT THAT US IS PREPARED TO STOP SERVICE ON JUNE 22
IN ABSENCE OF AGREEMENT. UNTIL TODAY'S SESSION,
UKDEL HAD NOT REGARDED CARTER-CALLAGHAN LETTER AS MORE
THAN FORMAL RESPONSE TO CALLAGHAN EXPRESSION OF CONCERN.
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B. IN THIS RESPECT, IT IS IMPORTANT TO UKDEL THAT THEY
NOT BE PERCEIVED BY PUBLIC TO BE BARGAINING UNDER DURESS.
FOR THIS REASON, SHOVELTON HAS STRESSED THAT ANY LEAKS
IN PRESS OF CAB RECOMMENDED DECISION ON FOREIGN AIR
CARRIER PERMIT INVESTIGATION WOULD PREJUDICE THEIR
ABILITY TO NEGOTIATE.

C. AMB BOYD BELIEVES ESSENTIAL THAT CESSATION CONTINGENCY PLANS GO FORWARD, BUT NOTHING BE SAID PUBLICLY UNTIL MONDAY AM, AS THERE IS GOOD POSSIBILITY OF AGREEMENT SUNDAY IF UK NOT PUBLICLY PERCEIVED AS UNDER DURESS.

2. UKDEL SAID THAT ITS INTERPRETATION WAS THAT PRESIDENT'S LETTER LEFT CONSIDERABLE ROOM FOR USDEL TO OFFER FURTHER CONCESSIONS ON "HEARTLAND" ISSUES. USDEL CORRECTED THIS MISUNDERSTANDING.

3. ROUTE SCHEDULE

A. DISCUSSION WAS NON-PRODUCTIVE, LED BY ROGERS. UK PAPER ON ROUTES (SUBMITTED TO US YESTERDAY) DESCRIBED AS REDUCTION TO WRITING OF POSITIONS UKDEL HAS BEEN STATING ORALLY FOR MONTHS.

B. UK IS VERY STRONG ON NO NEW 5TH FREEDOM AND LIMITATIONS ON U.S. ROUND-THE-WORLD FREQUENCIES.

C. UK SUGGESTED MINN-ST. PAUL AS U.S. EXCLUSIVE IN EXCHANGE FOR BA ENTRY TO SEATTLE.

4. DESIGNATION - CLOSE TO AGREEMENT.

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WHITE HOUSE NIACT IMMEDIATE
INFO AMEMBASSY OTTAWA IMMEDIATE

C O N F I D E N T I A L SECTION 02 OF 02 LONDON 10088

5. CAPACITY

A. THERE ARE STILL PROBLEMS OVER SOME MAIN ELEMENTS OF CAPACITY ADDENDUM MECHANISM. BRITISH SAID NEW PREAMBLE LANGUAGE WAS NOT ACCEPTABLE. THEIR POSITION IS THAT PRESENT LANGUAGE ASCRIBES TO BOTH PARTIES WHAT IS SOLELY U.S. CAPACITY PHILOSOPHY, AND THIS SHOULD NOT GOVERN WHEN CAPACITY CONTROL PROVISION SHOULD BE APPLICABLE. UK SUPPORTS THAT IF U.S. WISHES, U.S. CAN ISSUE UNILATERAL STATEMENT OUTSIDE OF AGREEMENT OF ITS CAPACITY PHILOSOPHY. ALTERNATIVELY, STATEMENT COULD BE MADE IN FORM OF SIDE LETTER, BUT IN THAT CASE, UK WOULD WANT PARALLEL SIDE LETTER STATING ITS CAPACITY PHILOSOPHY.

B. IN PARA 10 OF CAPACITY ADDENDUM, UK WANTS 5-YEAR TERM WITH CONSULTATIONS EARLY IN FIFTH YEAR, FOLLOWED BY 2-YEAR AUTOMATIC EXTENSION WHEN PARTIES AGREE DURING THESE CONSULTATIONS TO AMENDMENTS OR TERMINATION.

C. UK WANTS SEAT FACTOR STANDARD INCLUDED IN CAPACITY
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ADDENDUM EITHER DIRECTLY OR BY REFERENCE TO TARIFF ANNEX.

6. NEXT MTG SCHEDULED FOR SAT AM. NEGOTIATIONS WILL PROBABLY CONTINUE INTO SUNDAY.

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
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